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STATUTORY INSTRUMENTS

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**1997 No. 220**

**The Companies Act 1985 (Accounts of Small and Medium-sized Companies and Minor Accounting Amendments) Regulations 1997**

**Minor and consequential amendments**

7.—(1) In subsection (5)(b) of section 171 of the 1985 Act (power of private companies to redeem or purchase own shares out of capital) after “paragraph 34 of Schedule 4” there shall be inserted “or paragraph 34 of Schedule 8”.

(2) In section 247(5) of the 1985 Act (calculation of balance sheet total for determining whether company small or medium-sized) after “Part I of Schedule 4” there shall be inserted “or Part I of Schedule 8”.

(3) In section 249C(6) of the 1985 Act (provisions of Part VII on which reporting accountant has to give opinion)(1), for “section 246(1)(a) and (1A) and Section A of Part I of Schedule 8” there shall be substituted “section 246(2) and (3)”.

(4) In section 250 of the 1985 Act (resolution not to appoint auditors)(2)—

(a) in subsection (1)(b), for sub-paragraph (i) there shall be substituted—

“(i) is entitled in respect of its individual accounts for that year to prepare accounts in accordance with section 246(2), or would be so entitled but for the application of subsection (1)(a)(i) or (b) of section 247A, and,” and

(b) in subsection (4), for paragraph (d) there shall be substituted—

“(d) the company shall be treated as a company entitled to prepare accounts in accordance with section 246(2) notwithstanding that it is a member of an ineligible group.”

(5) In section 260(6) of the 1985 Act (meaning of “participating interest” in balance sheet and profit and loss account formats)(3) after “Schedule 4,” there shall be inserted “Part I of Schedule 8, Schedule 8A.”

(6) In the index of defined expressions set out in section 262A of the 1985 Act(4)—

(a) in the entry relating to “historical cost accounting rules”, there shall be inserted at the appropriate place the words—

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“—in Schedule 8

paragraph 29 of that Schedule”;

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(1) Section 249C was inserted by S.I.1994/1935.

(2) Section 250 was inserted by section 14 of the Companies Act 1989, and amended by regulation 2 of S.I. 1992/3003, and by regulation 11 of S.I. 1996/189.

(3) Section 260 was substituted by section 22 of the Companies Act 1989, and amended by regulation 5(1) of, and paragraph 4 of Schedule 2 to, S.I. 1993/3246.

(4) Section 262A was inserted by section 22 of the Companies Act 1989 and was amended by regulation 6 of, and paragraph 3 of Schedule 2 to, S.I. 1991/2705, by regulation 5 of, and paragraph 5 of Schedule 2 to, S.I. 1993/3246, by regulation 4(2) of S.I. 1994/233, by regulation 4 of, and paragraph 3 of Schedule 1 to, S.I. 1994/1935, and by regulation 12(2) of S.I. 1996/189.

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(b) in the entry relating to “listed investment”, there shall be inserted at the appropriate place the words—

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“—in Schedule 8 paragraph 54 of that Schedule”;

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(c) for the entry relating to “pension costs” there shall be substituted the following entry—

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“pension costs—in Schedule 4 paragraph 94(2) of that Schedule  
—in Schedule 8 paragraph 59(2) of that Schedule  
—in Schedule 9 paragraph 87(b) of Part I of that Schedule  
—in Schedule 9A paragraph 86(b) of Part I of that Schedule”;

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(d) in the entry relating to “provision”, there shall be inserted at the appropriate place—

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““—in Schedule 8 paragraphs 57 and 58 of that Schedule”; and

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(e) in the entry relating to “social security costs”, there shall be inserted at the appropriate place—

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“—in Schedule 8 paragraph 59(1) and (3) of that Schedule”.

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(7) In subsection (2)(b) of section 269 of the 1985 Act (treatment of development costs), after “paragraph 20 of Schedule 4” there shall be inserted “paragraph 20 of Schedule 8”.

(8) In paragraph (b) of section 276 of the 1985 Act (distributions in kind)(5) after “Schedule 4” there shall be inserted “or paragraphs 12(a) and 34(3)(a) of Schedule 8”.

(9) In paragraph 48(1) of Schedule 4 and paragraph 68(1) of Schedule 9A to the 1985 Act (statement in notes to accounts of details of indebtedness)(6), for paragraph (b) there shall be substituted—

“(b) in the case of any debts so included which are payable or repayable by instalments, the amount of any instalments which fall due for payment after the end of that period.”

(10) In Schedule 4A to the 1985 Act—

(a) paragraph 1(2) (application of paragraph 59 of Schedule 4 to group accounts)(7) is hereby repealed; and

(b) in paragraph 19(2) (application of provisions of Schedule 4A to proportional consolidation) for “this Part” substitute “this Schedule”.

(11) Paragraph 2(1) (a) in Part II of Schedule 9 to the 1985 Act (application to accounts of banking groups of individual accounts provisions)(8) is hereby repealed.

(12) Paragraph 1(2) (b) in Part II of Schedule 9A to the 1985 Act (application to accounts of insurance groups of individual accounts provisions)(9) is hereby repealed.

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(5) Section 276(b) was amended by section 23 of, and paragraph 7 of Schedule 10 to, the Companies Act 1989.

(6) Paragraph 48 of Schedule 4 was amended by regulation 14(1) of, and paragraph 8 of Schedule 1 to, S.I. 1996/189. Schedule 9A was substituted by regulation 4 of, and Schedule 1 to, S.I. 1993/3246, and paragraph 68 of that Schedule was amended by regulation 14(7) of, and paragraph 11 of Schedule 5 to, S.I. 1996/189.

(7) Schedule 4A was inserted by section 5(2) of, and Schedule 2 to, the Companies Act 1989; paragraph 1 of Schedule 4A was amended by regulation 14(2) of, and paragraph 2 of Schedule 2 to, S.I. 1996/189.

(8) Parts I to III of Schedule 9 were inserted by regulation 5 of, and Schedule 1 to, S.I. 1991/2705, and amended by regulation 14(6) of, and Schedule 4 to, S.I. 1996/189.

(9) Schedule 9A was inserted by regulation 4 of, and Schedule 1 to, S.I. 1993/3246, and amended by regulation 14(7) of, and Schedule 5 to, S.I. 1996/189.

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